



January 15, 2012

Mr. Dale Lillard
Director of Park and Recreation
City of Alameda
2226 Santa Clara Ave.
Alameda, Ca. 94501

Dear Dale,

The following is the financial summary and key highlights for the month of December 2011 at the Chuck Corica Golf Complex:

December 2011	Actual	2010 Actual	Variance	YTD	2010 Actual	Variance
Total Revenue	\$273,562	\$154,607	\$118,955	\$3,601,019	\$3,417,633	\$183,386
Merch. COGS	\$19,704	\$11,403	\$8,301	\$183,836	\$192,068	\$8,232
Gross Margin	\$253,858	\$143,204	\$110,654	\$3,417,183	\$3,225,565	\$191,618
Payroll Expense	\$123,644	\$93,191	\$30,453	\$1,363,898	\$1,277,889	\$86,009
Other Expense	\$55,980	\$44,447	\$11,533	\$953,148	\$1,078,462	\$125,314
NOI	\$74,234	\$5,566	\$68,668	\$1,100,137	\$869,214	\$230,923
Rounds	8,290	4,373	3,917	115,081	103,523	11,558
Average GF/CF	\$25	\$26	\$1	\$25	\$26	\$1
Management Fee	\$10,766	\$10,000	\$766	\$127,465	\$120,000	\$7,465
Net Cash From Ops	\$63,468	\$4,434	\$67,902	\$972,672	\$749,214	\$223,458

Overview:

The month of December was very different from a year ago. Last year we had several strong storms that rolled through and saturated the courses. December this year was the driest on record and as a result we had to begin irrigating the courses at the beginning of the month. Although this December didn't deliver any rain, we did experience several days where the temperatures dropped below 31°F degrees overnight, which produced frost delays for the players. That said, a frost delay still allows the property to have successful business, while rain generally shuts down the entire operation.

With the great weather we finished the year strong exceeding both rounds and revenue for the month and YTD. Consistent course conditions also certainly helped us reach our financial goals. The total revenue for the month was \$119K better than prior year and year to date it finished \$183K ahead of prior year. The NOI for the month was \$68K better than prior year, and year to date the NOI was \$223K better than 2010.

The courses were very busy between Christmas and New Year's the and the courses averaged 365 players per day with average daily revenue of \$9K per day. Mike and Dino worked very hard this year on tournament business and daily fee promotions to end the year strong. The nice weather towards the end of the month certainly helped, and our 2nd Annual Holiday Open House was a success; we offered gift wrapping and brought in some new merchandise for the event. The feedback we received from the guests who attended this year was great and we look to continue the annual event.

Northwest Regional Office
2054 Mandelay Place, San Jose, CA 95138
(415) 722-3580



Key Performance Highlights:

➤ Golf Course Maintenance Operations

- We continue to fight the kikuyu grass that continues to creep into the greens. We have edged the greens on both courses this month and removed the stringers.
- With the non-typical weather pattern, the courses need to be irrigated late in the season. EBMUD usually turns off our re-claimed line this time of year; we are working with them for a potential shut off date.
- With several frost delays in a row, we are having a few maintenance staff mowing the greens later in the day so we are ready for play when the frost lifts the next morning.
- We continue to work through the memorial benches, bringing them in to apply a protective coat for the winter months.
- The parking lot will be worked on in-house next month to repair the potholes as well as paint the curb areas.
- One of the pumps in the North pump station needs to be replaced. The pump went down early in the month and with the dry condition, we need to irrigate. The pump will be replaced by the end of the month.
- We continue to fight through irrigation breaks on the South course. We had a 6 inch main line break on the 6th hole, which was repaired. With the system down, we were forced to hand water hot spots throughout the course.

➤ General

- The ballasts and light kits for the range will be replaced January 23rd, it has taken some time to find a company who has the replacement parts. The range will be closed during the replacement of the lights.
- The driving range surface continues to tear up our picking unit and as a result we have had to replace several drums on the unit.
- Tournament outings exceeded plan for December by 40% with over \$11K in tournament revenue for the month. YTD we are currently \$33K and 648 rounds ahead of last year totals.
- We generated over \$10K in annual pass sales this month, which includes both resident and non-resident passes.
- We continue to use GolfNow to fill our tee sheet during slower times. We generated over \$286K this year through GolfNow, which is an increase of \$36K to prior year.
- We are receiving great feedback on tournament outings by offering additional services such as; personalized scorecards and scoring the events. As a result many Tournament Directors have decided to play us more and are booking for the following year because of the level of service we provide. Improved course conditions have also helped.
- With the big push for player development programs and help from our Get Golf Ready programs, lesson revenue ended the year 9% better than 2010 for a total of \$132K in lesson revenue.

Key property action steps by management to drive performance:

- As mentioned above, our 2nd Annual Holiday Open House was very successful. We moved through \$5K of merchandise in 2 days and continued the sale through the end of the month. Merchandise sales for the month were \$11K better than prior year, and YTD we ended 2% better than prior year.
- Our early Twilight special we ran last month, which included lunch, sold over 505 rounds and generated over \$17K in revenue.
- Current Promotions- Valid Monday through Friday.

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KemperSports

- Early Twilight Lunch Special-
 - \$35 per player after 11am, which includes a cart.
- Late Twilight Special-
 - \$25 per player after 1pm, which includes a cart.
 - \$15 per player after 3pm.
- Wacky Wednesday for Senior's- \$30 per player, which includes cart. Players must be 60 years old or older.
- Driving Range-
 - 6 month range passes-
 - Adults - \$300 for 6 months.
 - Juniors (under 18) - \$150 for 6 months.

Weather for the month:

- Rainfall Totals: .13"
- Highest Temperature: 70°
- Lowest Temperature: 30°
- Average Temperature: 51°

Please call me if you have any questions.

Sincerely,

Steve Argo
Regional Operating Executive
KemperSports
Cc: Jim Stegall, Mark Hoelsing

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